

## **The West Virginia Pharmaceutical Cost Management Council 2008 Prescription Drug Advertising Expense Report Data Summary**

On April 14, 2008, the Prescription Drug Advertising Expense Reporting Rule, WV CSR 206-1, became a permanent rule following passage by the Legislature during the regular 2008 Legislative Session, signature by the Governor and final filing by the agency.

### **Contextual facts to understand the data:**

- The reporting period covers calendar year **2008**.
- **126** pharmaceutical manufacturers and labelers filed reports, several on behalf of a larger corporate group, as permitted in the Legislative Rule.
- The West Virginia Board of Medicine reports that there are **3,830** medical doctors and podiatrists licensed and practicing in West Virginia. The West Virginia Board of Osteopathy reports that there are **745** osteopathic doctors practicing in West Virginia. The West Virginia Board of Nursing reports that there are **577** nurse practitioners with prescribing authority in West Virginia.
- Under both the statute (W.Va. Code 5A-3C-13) and Legislative Rule (CSR 201-1), only aggregated data may be disclosed to the public.
- Last year, the reporting period covered six months, from July – December 2007.

### **Aggregated data:**

- **126** manufacturers and labelers filed reports under the Legislative Rule with **94** reports indicating spending activities in West Virginia. Last year, **111** companies reported.
- Companies reported making **15,956** gifts, grants, or payments to West Virginia prescribers from January – December 2008. Companies reported a cumulative gift, grant and payment amount for the annual period so a prescriber may have received several payments from the individual company that result in the amount reported. Prescribers may also have received payments from multiple companies. Payments, as discussed in this summary, mean the total amount of money from an individual company to a prescriber during the reporting period. Last year, companies reported making payments to **14,933** prescribers in the over the six month reporting period of 2007.

- There are **4,575** doctors and **577** nurse practitioners with prescribing authority and **15,380** payments were made; therefore some prescribers received payments from multiple companies and some prescribers may have not received any payments. **The average number of reportable payments for each prescriber is nearly 3.**
- The highest amount paid to an individual prescriber by a single company in the annual reporting period fell in the **\$125,001 - \$127,500** payment category. One prescriber received this level of payment. **A total of 4 West Virginia prescribers received more than \$100,000 from single companies in 2008.** Since the reports do not identify the prescriber, the actual highest amount received by a West Virginia prescriber from reporting companies is unknown. It is possible that some of these prescribers received funds from multiple companies, which would make these totals larger.
- **45** payments of **more than \$20,000** were made to prescribers from individual companies.
- **598** payments of **\$2,500 or more** were made to prescribers from individual companies.
- **15,358** payments were made from individual companies to prescribers in the lowest payment category of **\$100 - \$2,500.**
- Total reported payments to pharmacies: **\$99,798.** In 2007, \$13,469.10 was reported in the six month reporting period.
- Total reported payments to patient advocacy groups operating in West Virginia: **\$11,500** (payment from 1 company to 1 group). In 2007, \$31,675 was reported in the six month reporting period.
- Total reported direct-to-consumer (DTC) advertising and reportable expenses targeting West Virginians: **\$33,254,788.** Last year, total DTC and reportable expenses totaled \$16,019,154 in the six month reporting period. DTC spending in West Virginia appears to be continuing at a rate similar to 2007.
- DTC advertising was highly concentrated in a small number of drugs, with **about 20 drugs receiving the vast majority of DTC expenditures.**

#### **Notes on reporting issues:**

- Most companies made good faith efforts to report the data; a very small number of companies (less than 5) made less than complete reports and were asked to supplement. A few companies took excessively narrow reporting positions on certain categories, which might require additional guidance to ensure fair and accurate reporting.

- Large drug companies are now tracking all payments in excess of \$100 under the PhRMA Code.
- Many companies did not report indirect payments to prescribers, often channeled through medical education or market research companies. These amounts appear to be significant in some cases.